

Enclosure 1

EPA's Review of BLM-WY's Draft General Conformity Determination for the Normally Pressurized Lance (NPL) Project (dated September 21, 2016)

Background:

1.) The EPA notes that for the **Refer to BLM**

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Section 3(c)(iv)(A) of the Wyoming Air Quality Standards and Regulations (WAQSR) Chapter 8, Section 3, "**Conformity of general federal actions to state implementation plans**," states that:

"(iv) Notwithstanding the other requirements of this section, a conformity determination is not required for the following Federal actions (or portion thereof):

- (A) The portion of an action that includes major or minor new or modified stationary sources that require a permit under the new source review (NSR) program (Section 110(a)(2)(C) and section 173 of the CAA) or the prevention of significant deterioration (PSD) program (Title I, part C of the CAA)."

2.) It appears that the NPL project is wholly contained within the boundary of the designated Upper Green River Basin (UGRB) 2008 8-hour "Marginal" Ozone Nonattainment Area (NAA).

3.) WDEQ's July 21, 2008 "Interim Policy on Determination of Compliance with WAQSR Chapter 6, Section 2(c)(ii) for Sources in Sublette County" (hereafter "2008 Interim Policy") continues to apply and the policy applies to "stationary point sources" if the "allowable emission reductions" are "enforceable" and specific requirements are met (page 3 of the policy).

EPA-Identified Permit Questions:

As requested and in our consultation role, we reviewed the draft Excel Spreadsheet "BLM-WY NPL Project Emission Inventory for General Conformity (7-16-2015)", the draft analysis (Enclosure 2), and appreciate the BLM's sharing of five permits issued by WDEQ

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The sources covered by these permits appear to be within the boundary of the designated UGRB ozone NAA. Our review identified several questions, which are detailed below.

A.) Drill Rig Fleet; WDEQ Permit **P0020602**, issued March 31, 2016 (please see attached .pdf file copy with our email):

- 1.) Page 1, first paragraph: This permit allows all drill rig engines and boilers that are in the Jonah Energy Drill Rig Fleet to emit 200.0 tons per year (tpy) of actual NOx emissions (down from 280 tpy from the prior permit). This permit is stated as being granted under WAQSR Chapter 6, Section 2. We were not able to find a statement within the permit identifying the classification of the permit.

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Question:

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3.) The EPA notes that this permit applies to drill rigs, boilers and engines. Condition #16 of the Permit states: "That should drill rig engine(s) meet the definition of a stationary source, Jonah Energy LLC shall comply with all state and federal regulations applicable for stationary sources" and Condition #17 requires that "Jonah Energy LLC shall comply with all local, state, and federal rules and regulations applicable to the Drill Rig Fleet." The permit also requires that the sources covered are not relieved of their obligation to comply with all applicable county, state, and federal standards, regulations or ordinances, which here includes the WAQSR Chapter 8, Section 3 general conformity requirements.

The provisions of the permit's condition #16 recognize that if the drill rig engines covered by the permit meet the definition of stationary source, Jonah Energy LLC is required to comply with all the application regulations.

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B.) Enhanced Directed Inspection and Maintenance (EDI&M) Program; WDEQ Permit **MD-13171**, issued October 1, 2013 (please see attached .pdf file copy with our email):

1.) We note that this is an air quality permit to implement an "Enhanced Directed Inspection and Maintenance" plan at multiple EnCana sources, and identified approximately 80 different well locations in Sublette County, WY and explains that it applies to "[a]ll existing and new wellhead production facilities located within the boundaries of the JIDPA and NPL" (page 1 of permit). As explained in Appendix A of the permit, the program included in this permit is "voluntary" and designed to replace "... previously permitted requirement for vapor collection system compliance certifications."

2.)

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Ex. 5 - Deliberative Process We note, though, that the permit does apparently establish a baseline for Volatile Organic Compounds (VOCs) of 535.8 tpy and controlled VOC emissions as 134.8 tpy (ref. .pdf page 7 of the permit). The permit includes a "Total Offset Credit: 401.0 TPY."

3.) The permit requires that the sources covered are not relieved of their obligation to comply with

all applicable county, state, and federal standards, regulations or ordinances. It appears this also includes the WAQSR Chapter 8, Section 3 general conformity requirements.

Question: Appendix A explains the permitting activities covered by the permit are a “voluntary emission reduction program.”

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C.) Well Blowdown and Venting Activities; WDEQ Permit **MD-16985**, issued March 5, 2015 (please see attached .pdf file copy with our email):

1.) **Ex. 5 - Deliberative Process**

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Questions: **Ex. 5 - Deliberative Process**

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2.) We note that the permit requires that the sources covered are not relieved of their obligation to comply with all applicable county, state, and federal standards, regulations or ordinances.

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The permit only requires “Best Management Practices” (i.e., minimize emissions to the extent practicable) and a one-time reporting of estimated emissions to WDEQ. The permit references methods for estimating emissions. The 2008 Interim Policy requires quantification of “allowable emission reductions”.

Question: **Ex. 5 - Deliberative Process**

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D.) Well Completion and Re-Completion Activities; WDEQ Permit **MD-16984**, issued March 5, 2015 (please see attached .pdf file copy with our email):

1.) This permit appears to apply to well completion/re-completion activities in several counties: Carbon, Fremont, Lincoln, Natrona, Sweetwater, Sublette, and Uinta.

Question: **Ex. 5 - Deliberative Process**

2.) We note that Permit Condition #4 requires that VOC and HAP emissions associated with flaring and venting of gas from well completion and re-completion be eliminated “to the extent practicable.”

3.) We note that Permit Condition #12 requires that emissions be estimated and records be kept of the total tons of VOC, HAPs, NO_x, and CO from the activities. There appears to be no monitoring methods specified in the permit, nor does the permit require that sources use WDEQ/EPA approved methods.

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4.) The permit states that the sources covered are not relieved of their obligation to comply with all applicable county, state, and federal standards, regulations or ordinances. It appears this also includes the WAQSR Chapter 8, Section 3 general conformity requirements.

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Question:

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E.) Multiple Well Gas/Condensate Production Facility; WDEQ Permit **P0020957**, issued July 6, 2016 (please see attached .pdf file copy with our email):

1.) The permit includes an identification of the overall permit offset requirements (25.7 tpy of VOC and 7.5 tpy of NO_x), on page 10, and an “Enhanced Directed Inspection and Maintenance” (EDIM) program (Appendix A). The permit notes that based on test results, the EDIM program results in a 75% reduction in fugitive emissions.

Observation:

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Enclosure 2

NORMALLY PRESSURED LANCE OIL AND GAS DEVELOPMENT PROJECT

DRAFT GENERAL CONFORMITY DETERMINATION

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July 2016

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